



# Special Unemployment Benefits for Employees Affected by COVID-19 Public Health Emergency

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Unemployment insurance provides benefits for employees who are unemployed through no fault of their own. Due to the impact on employers and employees from the COVID-19 public health emergency, some measures have been taken to increase eligibility for unemployment benefits and to increase the available benefits. The new federal measures are included in the Coronavirus Aid, Relief, and Economic Security Act<sup>1</sup> (CARES Act), and the Families First Coronavirus Response Act<sup>2</sup> (FFCRA), as outlined below.

## CURRENT LAW

The unemployment insurance program is governed by state law, which adheres to basic requirements provided in federal law.<sup>3</sup> In general, a person who has been laid off from a job or has had hours reduced is eligible for unemployment benefits if the person had been employed and received wages, and the employer had paid federal and state unemployment taxes on those wages. A self-employed person or person employed by a church or nontaxable religious organization is generally not eligible for unemployment benefits, unless unemployment taxes had been paid for the person.

The amount of benefits depends on the person's base wages, and is capped at \$370 per week. If all eligibility requirements are met, a person may receive benefits for up to 26 weeks within the 52 week benefit year that follows the date of filing an initial claim. In defined periods of high unemployment, extended benefits are provided for up to an additional 13 weeks.

Benefits are not immediately paid for the first week, which is referred to as a waiting period, but are paid out if the person has claimed benefits for the full 26 weeks of the person's benefit year. The waiting period is required by state law, but is not federally required.

To maintain eligibility, the person must continue to be available, and able, to work. The person must also show what actions are being taken to find new work, including registering for work on the Wisconsin Job Service website, and making at least four work searches per week.

## ELIGIBILITY

The CARES Act creates a new unemployment benefit for circumstances that are not covered by regular unemployment benefits. The new benefit, called **pandemic unemployment assistance**, is available:

- To a person who is either:
  - Unable or unavailable to work for reasons relating to COVID-19, including that the person has been diagnosed with COVID-19, must provide care for a household member who has been diagnosed, or has a lack of childcare.
  - Self-employed, seeking part-time employment, has insufficient work history, or otherwise would not qualify for regular unemployment.
- In the amount the person would receive if the person had been eligible for regular unemployment, plus the \$600 per week supplement described in the next section.<sup>4</sup>
- For up to 39 weeks, including up to 26 weeks at the regular unemployment rate and up to 13 weeks of extended benefits.

- Between February 2, 2020, and December 31, 2020.
- Without a waiting period.

## AMOUNT

The CARES Act creates a \$600 supplement to a person's regular unemployment benefit. The supplement, called **pandemic unemployment compensation**, is available:

- In the amount of \$600 per week, added to each regular or extended unemployment benefit.
- Between March 29, 2020, and July 31, 2020.

## DURATION

The CARES Act creates a special extended benefit, called **pandemic emergency unemployment compensation**.<sup>5</sup> The benefit is available:

- For up to 13 weeks, after a person has exhausted the 26 weeks of regular compensation.
- Between March 29, 2020, and December 31, 2020.
- In the amount of a person's regular unemployment benefit, plus the \$600 per week supplement described in the previous section.

The person must be actively seeking work, unless unable to because of illness, quarantine, or movement restriction.

## ACCESSIBILITY TO REGULAR UNEMPLOYMENT BENEFITS

Parts of the federal provisions may temporarily impact the waiting period and work search requirements under state law. In particular, to be eligible for certain grants and additional funding under both the FFCRA and the CARES Act, a state must demonstrate steps it has taken to ease access to unemployment compensation, including waiving work search requirements and the waiting period.

To date, state steps include [Emergency Order No. 7](#), which lifts the work search requirement during the declared public health emergency, and DWD's announcement in [Scope Statement No. SS 013-20](#) that it will promulgate an emergency rule to modify the work search and "able and available" requirements.

State legislation would be needed to remove or temporarily suspend the waiting period.

Additionally, temporary federal funding is provided to support the work-share program. Under current law, an employer may utilize a "work-share" structure to keep workers employed who would otherwise be laid off. The program uses partial unemployment benefits combined with continued, but reduced, work hours. No changes are needed in state law to use this federal funding.

The federal funding provisions are described in the Legislative Fiscal Bureau's memorandum regarding [State Funding Under Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), dated April 1, 2020.

<sup>1</sup> P.L. 116-136; and see U.S. Department of Labor, [UIPLNo. 14-20](#) (April 2, 2020).

<sup>2</sup> P.L. 116-127; and see U.S. Department of Labor, [UIPLNo. 13-20](#) (March 22, 2020).

<sup>3</sup> 26 U.S.C. ss. 3301 to 3311; and ch. 108, Stats.

<sup>4</sup> The pandemic unemployment assistance benefit, pandemic unemployment compensation, and extended pandemic emergency unemployment compensation will be administered by the state, but are fully federally funded. Operational changes are needed to process the claims, but no change is needed in state law.

<sup>5</sup> The extended pandemic emergency unemployment compensation is separate from the extended benefits under current law, and, if extended benefits are authorized, the pandemic emergency unemployment compensation would be paid before those extended benefits.